



Analysis of Factors Influence on Investors in Selecting Life Insurance Companies & Its Products

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Abstract

Life insurance plays a very significant role in the development of the economy. There are many factors, which are affecting while selecting the life insurance company as well as life insurance policies. The present study determines the selection of public or private life insurance companies and its products by the policyholders. The study aims to identify the most influencing factor/person on policyholders to purchase the policies of public or private life insurance companies. An attempt is also made to identify the major motivational factor for investment in Life Insurance Company, for selection of Life Insurance Company and life insurance products. The study is done based on a questionnaire with a sample of 600 policyholders. The collected data are analyzed by using Simple Percentage Analysis, Frequency Table, Chi-Square Test, ANOVA Test and Independent Sample T-Test. In this study, an attempt is made to study the factors like motivating person, motivational situation, type of company, procedural simplicity, service quality, claims and their settlement, premium amount, the term of the insurance, coverage etc. and their influence on buying behaviour of investors. The major findings of the study are agent is the major motivation person for purchasing the life insurance policy, the future decisions of the policyholders are dependence on the education level, occupation, annual income and monthly savings of policyholders. It reveals that, the life insurance agent is the major motivating person for buying a life insurance policy in public and private life insurance companies and risk coverage and safety and security are the major motivational factor (46.0 per cent) for buying a life insurance policy in public and private life insurance companies. The study also found that, maturity benefits and service quality are the major motivational factor for selecting the life insurance company. The study has also found that the respondents buying insurance policies for age and their financial necessity. The study suggests that, the public life insurance company should improve its service quality and the public life insurance company should keep the policyholders as updated with new policies and services. For this, the information service of the company should be improved. At the same time, the public life insurance company agents have been well trained for providing better services to the policyholders. The paper concludes with that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies.

Key Words: LIC of India, Motivational Factors, Life Insurance Companies and life insurance policies

Introduction

Life insurance companies play a significant role in the economic development of a country. The insurance industry has changed rapidly in the changing economic environment throughout the world. The increased pace of market competition due to the liberalization and globalization has forced life insurance companies to become competitive by cutting cost and serving in a better way to the customers. In today's challenging business environment, customer service and satisfaction are emerging as key competitive advantages. Life Insurance Corporation of India (LIC) enjoyed a monopoly in the life insurance sector during the pre-nationalised period. Huge untapped Indian market and unlimited future opportunities lure many foreign players towards investment in the life insurance business. It is an investor based business where retention of existing investors is the biggest challenge in present cut-throat market competition. The declining market share is the biggest concern of Life Insurance Corporation of India (LIC) after privatization.

The liberalization of the life insurance industry in India has caused companies to face many challenges in their relationship with customers in order to survive. Taking into consideration the investors' perceptions, long-term customer relationships, policyholders' satisfaction and retention are turning into the crucial factors for the success of life insurance companies. Offering high-quality services on time is a formal way to achieve high customer satisfaction and gaining the loyalty of the policyholders. Policyholders are treated as pillars of life insurance business in a country like India. Every company tries to the proper understanding of investors' preferences, their needs and expectations help insurance providers to bring improvement in products as well as services offered. It helps life insurance companies to attract and retain existing investors to keep their profits high. When compared with the developed countries, the Indian life insurance industry has achieved only a little because of low investors awareness, poor affordability, delay in customer services, lack of suitable products etc. In today's cut-throat competition, it becomes essential for life insurers to provide better customer services, spread more awareness, emphasize on need-based innovative products at a reasonable price so that, every individual may avail the benefits of insurance and protect their lives against the future uncertainties.

Need for the study

The study is necessary to find out the factors that influence investors to select life insurance policy and life insurance companies. The study is also needed to know the major motivational person for creating awareness about life insurance products and benefits and motivating policyholders for buying life insurance products.

Review of Literature

K. Rajaselvi and P. Chellasamy (2013) conducted a study on "the level of satisfaction of the Policyholders on the service offered by Public and Private Life Insurers in Nilgiris District". The study examined and compared the level of policyholder's satisfaction in the public and private insurance companies in Nilgiris District and the factors that influence the policyholder in selecting insurance companies in Nilgiris District. The study concluded that there is a significant difference between the mean score among different groups of policyholders in public and private Insurance Companies.

Sasikala Devi (2013) analyzed the policyholders' perceptions and satisfaction towards various services offered by the public and selected private life insurance companies operating in India. It found that majority of the policyholders are influenced by the physical appearances and surrounding of the branch office and it is ranked

the first position with an average score of 3.52. The level of satisfaction between the policyholders is high in case of motivation given by the agents and development officer to buy the policy. It is revealed that the policyholders' satisfaction towards services and products is determined by the name of the company, the period of the policyholder's relationship, the nature of the policy taken and sum assured. The majority of the policyholders are renewing their policies regularly by paying the premium amount. 76.82 per cent of the policyholders have said that their claims were accepted. It has been observed that the after-sales service of life insurance companies differs from one to another.

Norazah Mohd Suki (2013) examines the effects of service quality on customer satisfaction with service delivery in the life insurance industry. The study found that, the assurance, tangibility and empathy have a positive and significant relationship with customer satisfaction with service delivery in the life insurance industry. Customers are satisfied with the way the services are delivered. High levels of skill and experience among employees of a life insurance company and the dedication of agents provide customer confidence.

M. Akila (2013) analyzed the customers' perception of LIC health insurance plans in Salem city. The study found that, the majority of the respondents are satisfied after investing in health insurance plans of LIC. This study also discloses a few areas of product attribute improvement. Customers rated its product as average since they do not recognize product differentiation in terms of benefits among the plans marketed by LIC. It is also found that, a larger group of people have not bought health insurance plans since they do not get correct information relating to the product of LIC. The study suggests that, the insurer should provide clear information about the policy, he/she has purchased or going to purchase. In case of traditional plan minimum knowledge regarding sum assured, premium and the duration of the policy along with the mode of payment is expected from the insurer.

V. Karthiga and G. Vadivalagan(2013) analyzed the motivational factor, person and situation for purchasing life insurance policy. The study revealed that, the major motivational factor in LIC is safety and security (19 per cent), risk coverage (16 per cent), and agent cooperation (13 per cent) are also important factors to influence the policyholders to buy the policies. Tax benefit (10 per cent), grace period (9 per cent), and annual bonus (8 per cent) are the next major factors to motivate the policyholders to buy the insurance products. Majority of the policyholders are getting information through LIC and its advertisement (29 per cent), 26 per cent of policyholders are through agents, 14 per cent of policyholders through friends. LIC agents are the most important motivating person (41 per cent) for buying the insurance policy. Parents/Spouse is the second important motivating person (25 per cent) for making policyholder for buying the insurance policy.

Objectives of the study

The main objective of the study is to evaluate the factors influencing investors' in choosing the life insurance company and its products.

Hypotheses of the study

In order to achieve the objectives, the following hypotheses have been set for the study.

- **H₀:** There is no association between motivational factors in the selection of life insurance policy and gender, place of residence, occupation, age, annual income and monthly savings of the investors.
- **H₀:** There is no significant difference between investors of public and a private life insurance company as far as the factors influencing in the selection of life insurance policies.
- **H₀:** There is no significant difference between investors of public and private insurance companies as far as the factors influencing in the selection of life insurance company.
- **H₀:** There is no association or relationship between future investment decisions and education level, occupation, annual income and monthly savings of policyholders.

Data Collection and Research Methodology

The present study is based on primary as well as secondary data. The primary data is collected through the well-drafted questionnaire from 600 policyholders of the public and private life insurance companies by selecting them randomly as a sample from Haveri district of Karnataka state. The present study is confined only to the policyholders of LIC of India, HDFC Life Insurance, SBI life insurance and ICICI Prudential Life Insurance in Haveri district of Karnataka state. The secondary data is collected from annual reports of Life Insurance Corporation of India and IRDA, magazines, newspapers, books, journals, various insurance websites. Thus, the collected data are classified, tabulated and analysed as per the objectives of the study and the same was analysed by using suitable statistical tools to draw sound conclusions. The collected data are analyzed by using Simple Percentage Analysis, Frequency Table, Chi-Square Test, ANOVA Test and Independent Sample T-Test.

Limitations of the study

The present research work is undertaken to maximize objectivity and minimize errors. However, there are certain limitations of the study, which are to be taken into consideration for the present research work. The present study is only confined with Haveri District of Karnataka state. It has covered only policyholders of four life insurance companies, such as LIC of India, HDFC Life Insurance, SBI life insurance companies and ICICI Prudential Life Insurance. Hence, the results arrived from the study applies only to said area and companies. The study is analysed using primary data which is collected from the 600 policyholders only and which is not said to be 100 per cent accurate and error-free. The conclusions are purely drawn on the information given by the respondents during the field survey and information collected from secondary sources.

Analysis & Interpretation of Data

Here, an attempt is made to test an association between major motivational factors in the selection of a life insurance policy and demographic factors of the policyholders by using Chi-Square test for independence. An attempt is also made to test there is a significant difference between investors of public and a private life insurance company as far as the factors influencing in the selection of life insurance policies and life insurance companies by using One-Way ANOVA. An attempt is also made to test the relationship between future decisions of the policyholders for further investment in life insurance companies and their level of education, occupation, income level and monthly savings by using Chi-square test for independence.

Table 1: Most important motivating person for buying the life insurance policy

Motivating Person	Life Insurance Sector		Total
	Public	Private	
Parent/Spouse	74 (18.5)	30 (15.0)	104 (17.33)
Agents	258 (64.5)	104 (52.0)	362 (60.34)
Company Image	46 (11.5)	34 (17.0)	80 (13.33)
Self	22 (5.5)	32 (16.0)	54 (9.0)
Total	400 (100.0)	200 (100.0)	600 (100.0)

Source: Field Survey

The above table depicts the most important motivating person for buying the life insurance policy. Out of 600 policyholders surveyed, 60.34 per cent of the policyholders opined that agents are the most important person for buying the life insurance policy. Parent/Spouse is the second most important motivating person (17.33 per cent) for buying the life insurance policy, 13.33 per cent of the policyholders are buying the life insurance policy for company brand image and 9 per cent of the policyholders are taking self-decision.

It has been found from the above analysis that, the life insurance agent is the major motivating person for buying a life insurance policy in public and private life insurance companies.

Table 2: The major sources of getting information about life insurance companies, its products and services

Major Sources of Information	Life Insurance Sector		Total
	Public	Private	
Agents	276 (69.0)	148 (74.0)	424 (70.66)
Friends	08 (2.0)	08 (4.0)	16 (2.67)
Life insurance company	72 (18.0)	18 (9.0)	90 (15.0)
Advertisement	44 (11.0)	26 (13.0)	70 (11.67)
Total	400 (100.0)	200 (100.0)	600 (100.0)

Source: Field Survey

The above table depicts that the major source of information about life insurance companies, its products and services. Out of 600 policyholders surveyed, 70.66 per cent of the policyholders are getting information through life insurance agents, 15.0 per cent of the policyholders through life insurance company, 11.67 per cent of the policyholders through company advertisements and 2.67 per cent of the policyholders through friends.

It has been found from the above analysis that the life insurance agent and life insurance Company are the major sources of information to policyholders of public and private life insurance companies.

Table 3: The major motivational situation for buying the life insurance policy

Motivational Situation	Life Insurance Sector		Total
	Public	Private	
Age & Health	156 (39.0)	132 (66.0)	288 (48.0)
Family background	62 (15.5)	20 (10.0)	82 (13.67)
Financial necessity	182 (45.5)	48 (24.0)	230 (38.33)
Total	400 (100.0)	200 (100.0)	600 (100.0)

Source: Field Survey

The above table depicts the major motivational situation for buying the life insurance policy. Out of 600 policyholders surveyed, 48.0 per cent of the policyholders buying life insurance policy for their age and health the condition, 38.33 per cent of the policyholders buying a life insurance policy to manage financial necessity and 13.67 per cent of the policyholders buying life insurance policy for their family background.

It can be found from the above analysis that, the age and health is the major motivational situation for buying a life insurance policy in private life insurance companies and financial necessity is the major motivating situation for buying a life insurance policy in public life insurance company.

Table 4: The major motivational factor for buying the life insurance policy

Motivational Factor	Life Insurance Sector		Total
	Public	Private	
Risk Coverage	160 (40.0)	116 (58.0)	276 (46.0)
Tax Benefits	74 (18.5)	22 (11.0)	96 (16.0)
Additional Benefits	10 (2.5)	12 (6.0)	22 (3.67)
Agents cooperation	12 (3.0)	04 (2.0)	16 (2.67)
Maturity benefits	28 (7.0)	16 (8.0)	44 (7.33)
Safety & Security	116 (29.0)	30 (15.0)	146 (24.33)
Total	400 (100.0)	200 (100.0)	600 (100.0)

Source: Field Survey

The above table reveals that the major motivational factor for buying the life insurance policy. Out of 600 policyholders surveyed, 46.0 per cent of policyholders opined that the risk coverage is the major motivational factor for buying a life insurance policy, 24.33 per cent of them opined that safety and security is a major motivational factor for buying a life insurance policy, 16.0 per cent of them opined that tax benefits is the major motivational factor, 7.33 per cent of them opined that maturity benefits are the major motivational factor, 3.67 per cent of them opined that additional benefits are the major motivational factor, and 2.67 per cent of them opined that agents co-operation is the major motivational factor for buying the life insurance policy.

It has been inferred from the above analysis that risk coverage and safety and security are the major motivational factor (46.0 per cent) for buying a life insurance policy in public and private life insurance companies.

Table 5: Chi-Square Test Results
Association between the motivational factors and gender of policyholders

Motivational Factor	Value of Chi-Square	p-Value	Test Result
Risk Coverage	14.840	0.000 (<0.05)	Accept H ₁
Tax benefits	21.536	0.000 (<0.05)	Accept H ₁
Additional benefits	2.940	0.086 (>0.05)	Reject H ₁
Agents cooperation	0.768	0.381 (>0.05)	Reject H ₁
Maturity benefits	0.646	0.422 (>0.05)	Reject H ₁
Safety and security	0.007	0.934 (>0.05)	Reject H ₁

The following conclusions are made based on the Chi-Square value and corresponding p-value in the above table. There is an association between risk coverage and tax benefits as a major motivational factor for selecting the life insurance policy and gender of the policyholders. It concludes that risk coverage and a tax benefit as a motivational factor differs with respect to the gender of the policyholders. There is no association between additional benefits, agents cooperation, maturity benefits, and safety and security as a major motivational factor for selecting the life insurance policy and gender of the policyholder. It reveals that additional benefits, agents cooperation, maturity benefits, and safety and security as a motivational factor in selecting a life insurance policy is the same irrespective of their gender.

Table 6: Chi-Square Test Results
Association between the motivational factors and place of residence of policyholders

Motivational Factor	Value of Chi-Square	p-Value	Test Result
Risk Coverage	10.487	0.001 (<0.05)	Accept H ₁
Tax benefits	35.447	0.000 (<0.05)	Accept H ₁
Additional benefits	0.588	0.443 (>0.05)	Reject H ₁
Agents cooperation	2.490	0.115 (>0.05)	Reject H ₁
Maturity benefits	2.006	0.157 (>0.05)	Reject H ₁
Safety and Security	1.940	0.164 (>0.05)	Reject H ₁

The following conclusions are made based on the Chi-Square value and corresponding p-value in the above table. There is an association between risk coverage and tax benefits as a major motivational factor for selecting the life insurance policy and place of residence of the policyholders. It concludes that risk coverage and a tax benefit as a motivational factor differs with respect to the place of residence of the policyholders. There is no association between additional benefits, agents cooperation, maturity benefits, and safety and security as a major motivational factor for selecting the life insurance policy and place of residence of the policyholder. It reveals that additional benefits, agents cooperation, maturity benefits, and safety and security as a motivational factor in selecting a life insurance policy is the same irrespective of their place of residence.

Table 7: Chi-Square Test Results
Association between the motivational factors and occupation of policyholders

Motivational Factor	Value of Chi-Square	p-Value	Test Result
Risk Coverage	65.871	0.000 (<0.05)	Accept H ₁
Tax Benefits	131.637	0.000 (<0.05)	Accept H ₁
Additional Benefits	3.060	0.691 (>0.05)	Reject H ₁
Agents cooperation	6.390	0.270 (>0.05)	Reject H ₁
Maturity benefits	16.946	0.005 (<0.05)	Accept H ₁
Safety & Security	32.583	0.000 (<0.05)	Accept H ₁

The following conclusions are made based on the Chi-Square value and corresponding p-value in the above table. There is an association between risk coverage, tax benefits, maturity benefits, and safety and security as a major motivational factor for selection of life insurance policy and occupation of the policyholder.

It reveals that risk coverage, tax benefits, maturity benefits, and safety and security as a motivational factor differs with respect to the occupation of the policyholders. That is the opinions about risk coverage, tax benefits, maturity benefits, and safety and security as a motivational factor differs with respect to the occupation of the policyholder. There is no association between additional benefits and agents co-operation as a major motivational factor for selection of life insurance policy and occupation of the policyholder. It reveals that additional benefits and agents co-operation as the same motivational factor irrespective of occupation of the policyholders. It means that all policyholders have the same opinion regarding additional benefits and agents co-operation as a major motivational factor in the selection of life insurance policy irrespective of their occupation.

Table 8: Chi-Square Test Results
Association between the motivational factors and age of the policyholders

Motivational Factor	Value of Chi-Square	p-Value	Test Result
Risk Coverage	1.903	0.593 (>0.05)	Reject H ₁
Tax Benefits	124.605	0.000 (<0.05)	Accept H ₁
Additional Benefits	26.052	0.000 (<0.05)	Accept H ₁
Agents cooperation	6.201	0.102 (>0.05)	Reject H ₁
Maturity benefits	3.021	0.388 (>0.05)	Reject H ₁
Safety & Security	57.978	0.000 (<0.05)	Accept H ₁

The following conclusions are made from the above table. There is an association between tax benefits, additional benefits, and safety and security as a major motivational factor for selecting life insurance policy and age of the policyholder. It means the opinions about tax benefits, additional benefits, and safety and security as a motivational factor differ with respect to the age of the policyholder. There is no association between risk coverage, agents cooperation and maturity benefits as a major motivational factor for selecting life insurance policy and age of the policyholder. It reveals that all policyholders have the same opinion regarding risk coverage, agents cooperation and maturity benefits as a major motivational factor in life insurance policy irrespective of their age.

Table 9: Chi-Square Test Results
Association between the motivational factors and annual income of the policyholders

Risk Coverage	22.008	0.000 (<0.05)	Accept H ₁
Tax Benefits	118.491	0.000 (<0.05)	Accept H ₁
Additional Benefits	9.384	0.025 (<0.05)	Accept H ₁
Agents cooperation	3.045	0.385 (>0.05)	Reject H ₁
Maturity benefits	10.051	0.018 (<0.05)	Accept H ₁
Safety & Security	10.295	0.016 (<0.05)	Accept H ₁

The following conclusions are made based on the Chi-Square value and corresponding p-value in the above table. There is an association between risk coverage, tax benefits, additional benefits, maturity benefits and safety and security as a major motivational factor for selecting the life insurance policy and annual income of the policyholders except for agents cooperation. It means that the opinions about risk coverage, tax benefits, additional benefits, maturity benefits and safety and security as a motivational factor differ with respect to the annual income of the policyholders.

Table 10: Chi-Square Test Results
Association between the motivational factors and monthly savings of policyholders

Motivational Factor	Value of Chi-Square	p-Value	Test Result
Risk Coverage	39.195	0.000 (<0.05)	Accept H ₁
Tax Benefits	207.835	0.000 (<0.05)	Accept H ₁
Additional Benefits	7.307	0.063 (>0.05)	Reject H ₁
Agents cooperation	6.495	0.090 (>0.05)	Reject H ₁
Maturity benefits	5.403	0.145 (>0.05)	Reject H ₁
Safety & Security	25.413	0.000 (<0.05)	Accept H ₁

The following conclusions are made based on the Chi-Square value and corresponding p-value in the above table. There is an association between risk coverage, tax benefits and safety and security as a major motivational factor for selecting the life insurance policy and monthly savings of the policyholders. It means that the opinions about risk coverage, tax benefits and safety and security as a motivational factor differ with respect to monthly savings of the policyholders. There is no association between additional benefits, agent co-operation and maturity benefits as a major motivational factor for selecting the life insurance policy and monthly savings.

of the policyholders. It means that all policyholders have the same opinion about additional benefits, agent co-operation and maturity benefits as a motivational factor in selecting life insurance policy irrespective of their monthly savings.

Table 11: ANOVA Test Results

The factors influencing the selection of life insurance policy is the difference between public and private policyholders

		Sum of Squares	Df	Mean Square	F	Sig.	Decisions
Risk coverage	Between Groups	.403	1	.403	9.857	.002 (<0.05)	Accept H ₁
	Within Groups	24.470	598	.041			
	Total	24.873	599				
Maturity benefits	Between Groups	9.013	1	9.013	54.236	.000 (<0.05)	Accept H ₁
	Within Groups	99.380	598	.166			
	Total	108.393	599				
Maturity period	Between Groups	5.603	1	5.603	24.357	.000 (<0.05)	Accept H ₁
	Within Groups	137.570	598	.230			
	Total	143.173	599				
Safety and Security	Between Groups	2.083	1	2.083	11.085	.001 (<0.05)	Accept H ₁
	Within Groups	112.390	598	.188			
	Total	114.473	599				
Premium Amount	Between Groups	5.741	1	5.741	26.315	.000 (<0.05)	Accept H ₁
	Within Groups	130.458	598	.218			
	Total	136.198	599				
Regular returns	Between Groups	6.901	1	6.901	35.254	.000 (<0.05)	Accept H ₁
	Within Groups	117.058	598	.196			
	Total	123.958	599				
Tax benefits	Between Groups	1.763	1	1.763	7.435	.007 (<0.05)	Accept H ₁
	Within Groups	141.830	598	.237			
	Total	143.593	599				
Partial withdrawal facility	Between Groups	2.708	1	2.708	13.007	.000 (<0.05)	Accept H ₁

	Within Groups	124.478	598	.208			
	Total	127.185	599				
Special benefits	Between Groups	.333	1	.333	1.470	.226 (>0.05)	Reject H ₁
	Within Groups	135.560	598	.227			
	Total	135.893	599				
Multiple benefits from a single policy.	Between Groups	.030	1	.030	.120	.729 (>0.05)	Reject H ₁
	Within Groups	149.010	598	.249			
	Total	149.040	599				

The following conclusions are made based on F and p-value in the above table. There is a significant difference in opinion of investors of public and private companies in considering risk coverage, maturity benefits, maturity period, safety and security, premium amount, regular returns, tax benefits, and partial withdrawal facility as a factor influencing in the selection of life insurance policies except special benefits and multiple benefits from a single policy.

Table 12: One-Way ANOVA Test Results

The factors influencing the selection of life insurance company is the difference between public and private policyholders

		Sum of Squares	Df	Mean Square	F	Sig.	Decisions
Type of insurance company	Between Groups	23.801	1	23.801	132.433	.000 (<0.05)	Accept H ₁
	Within Groups	107.473	598	.180			
	Total	131.273	599				
Ease of procedures	Between Groups	8.168	1	8.168	34.804	.000 (<0.05)	Accept H ₁
	Within Groups	140.333	598	.235			
	Total	148.500	599				
Mode of premium payment	Between Groups	1.920	1	1.920	8.234	.004 (<0.05)	Accept H ₁

	Within Groups	139.440	598	.233			
	Total	141.360	599				
Company image	Between Groups	3.630	1	3.630	17.406	.000 (<0.05)	Accept H ₁
	Within Groups	124.710	598	.209			
	Total	128.340	599				
Service quality	Between Groups	14.963	1	14.963	76.473	.000 (<0.05)	Accept H ₁
	Within Groups	117.010	598	.196			
	Total	131.973	599				
Annual bonus	Between Groups	3.853	1	3.853	16.031	.000 (<0.05)	Accept H ₁
	Within Groups	143.740	598	.240			
	Total	147.593	599				
Maturity benefits	Between Groups	.853	1	.853	3.497	.062 (>0.05)	Reject H ₁
	Within Groups	145.920	598	.244			
	Total	146.773	599				
Claim settlement	Between Groups	.241	1	.241	.969	.325 (>0.05)	Reject H ₁
	Within Groups	148.633	598	.249			
	Total	148.873	599				
Grace period	Between Groups	3.741	1	3.741	15.324	.000 (<0.05)	Accept H ₁
	Within Groups	145.978	598	.244			
	Total	149.718	599				

Plans	Between Groups	.003	1	.003	.014	.906 (>0.05)	Reject H ₁
	Within Groups	143.170	598	.239			
	Total	143.173	599				
Agent's cooperation	Between Groups	4.320	1	4.320	21.231	.000 (<0.05)	Accept H ₁
	Within Groups	121.680	598	.203			
	Total	126.000	599				
Advertisement	Between Groups	.163	1	.163	.940	.333 (>0.05)	Reject H ₁
	Within Groups	103.910	598	.174			
	Total	104.073	599				
Premium amount	Between Groups	.003	1	.003	.030	.862 (>0.05)	Reject H ₁
	Within Groups	66.370	598	.111			
	Total	66.373	599				
Usage of technology	Between Groups	.053	1	.053	.297	.586 (>0.05)	Reject H ₁
	Within Groups	107.280	598	.179			
	Total	107.333	599				
Accessibility of service provider.	Between Groups	3.413	1	3.413	23.280	.000 (<0.05)	Accept H ₁
	Within Groups	87.680	598	.147			
	Total	91.093	599				

The following conclusions are made based on the F-value and p-value. There is a significant difference in opinion of investors of public and private companies in considering the type of insurance company, ease of procedures, mode of premium payment, company image, service quality, annual bonus, grace period, agents

cooperation and accessibility of service provider as a factor influencing in the selection of life insurance companies. There is no significant difference in opinion of investors of public and private companies in considering maturity benefits, claim settlement, plans, advertisement, premium amount and usage of technology as a factor influencing in the selection of life insurance companies.

**Table 13:Chi-Square Test Results
Association between future investment decisions of policyholders and their education level**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	107.201 ^a	8	.000
Likelihood Ratio	112.681	8	.000
Linear-by-Linear Association	86.750	1	.000
N of Valid Cases	600		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.27.

According to the above table, the Pearson Chi-Square value is 107.201 with a p-value of 0.000(<0.05). Hence, accept the alternate hypothesis of an association between future decisions and education level of policyholders. It concludes that the future decisions of the policyholders are dependence on the education level of policyholders.

**Table 14: Chi-Square Test Results
Association between future investment decisions and occupation of policyholders**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	72.902 ^a	10	.000
Likelihood Ratio	73.775	10	.000
Linear-by-Linear Association	18.542	1	.000
N of Valid Cases	600		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.40.

According to the above table, the Pearson Chi-Square value is 72.902 with a p-value of 0.000(<0.05). Hence, accept the alternate hypothesis of an association between future decisions and occupation of policyholders. It concludes that future decisions of further investments are dependence on the occupation of the policyholders.

Table 15: Chi-Square Test Results
Association between future investment decisions and annual income of the policyholders

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	55.405 ^a	6	.000
Likelihood Ratio	56.479	6	.000
Linear-by-Linear Association	53.804	1	.000
N of Valid Cases	600		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 18.19.

According to the above table, the Pearson Chi-Square value is 55.405 with a p-value of 0.000(<0.05). Hence, accept the alternate hypothesis of an association between future decisions and annual income of policyholders. It concludes that future investment decisions depend on the annual income of the policyholders.

Table 16: Chi-Square Test Results
Association between future investment decisions and monthly savings of policyholders

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	110.587 ^a	6	.000
Likelihood Ratio	120.226	6	.000
Linear-by-Linear Association	79.872	1	.000
N of Valid Cases	600		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 14.05.

According to the above table, the Pearson Chi-Square value is 110.587 with a p-value of 0.000(<0.05). Hence, accept the alternate hypothesis of an association between future decisions and monthly savings of policyholders. It concludes that future investment decisions depend on monthly savings of the policyholders.

Conclusion

The life insurance agent is the major motivating person and influential factor for buying a life insurance policy in public and private life insurance companies and age and health is the major motivational situation for buying a life insurance policy in private life insurance companies and financial necessity is the major motivating situation for buying a life insurance policy in public life insurance company. It reveals that risk coverage and safety and security are the major motivational factor (46.0 per cent) for buying a life insurance policy in public and private life insurance companies and maturity benefits and service quality are the major motivational factor for selecting the life insurance company. Further, it concludes that, an association between motivational factors for selection of life insurance policy and demographic variables of the investors and association between motivational factors for selecting a life insurance company and demographic variables of the investors. It concludes that the opinions

about motivational factors differ with respect to gender, place of residence, occupation, age, annual income and monthly savings of the policyholders in the selection of life insurance company and life insurance policy. It also concludes that there is an association between future decisions and education level, occupation, annual income and monthly savings of policyholders. Moreover, future decisions of further investments are dependent on education level, occupation, annual income and monthly savings of the policyholders. There is a significant difference between investors of public and private insurance companies as far as the factors influencing in the selection of life insurance company and life insurance policies.

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